

EXHIBIT F

LEHMAN BROTHERS HOLDINGS INC.'S
INDEMNIFICATION ALTERNATIVE DISPUTE RESOLUTION NOTICE
(“INDEMNIFICATION ADR NOTICE”)

Pursuant to the attached Order entered by the United States Bankruptcy Court for the Southern District of New York, you, the Broker identified below, are required to respond to the Debtor on or before the Response Due Date set forth herein

Indemnification ADR Notice No.: 945-0250

Debtor: Lehman Brothers Holdings Inc. (“LBHI”)

Broker: Apex Home Loans, Inc. (“Broker”)

Loan(s) Information: See Attachment A (the “Loan(s)’’)

Parties to Mediation: LBHI and Broker

Subject of Mediation: LBHI’s indemnification claims against Broker

Documents

Mortgage Broker Agreement made by and between Lehman Brothers Bank, FSB, (“LBB”) and Broker (the “Broker Agreement”),¹ and the Assignment Agreement between LBB and LBHI (the “Assignment Agreement”), and other related documents and materials.

Documents and materials concerning the above-referenced loans, bearing production stamps LEH-APEX-0000001-LEH-APEX-0001198, are available for download through a secure data repository website. For security purposes, instructions and credentials for accessing the website will be provided separately. These documents have been stamped “Confidential” pursuant to Paragraph 13 of the attached *Alternative Dispute Resolution Procedures Order for Indemnification Claims of the Debtors Against Mortgage Loan Sellers* (ECF No. 45277), dated June 24, 2014 (the “Order”), annexed hereto as Attachment B.

The “Fannie Mae-LBHI Settlement Agreement” and “Freddie Mac-LBHI Settlement Agreement” (together “GSE Settlement Agreements”), referenced in Attachment A, are exhibits to the following documents filed in Case No. 08-13555 in the Southern District of New York Bankruptcy Court:

- Docket No. 42153 (Fannie Mae Settlement Agreement attached as Annex A)
- Docket No. 42754 (Freddie Mac Settlement Agreement attached as Annex A)
- Docket No. 42907 (Amendments to Freddie Mac Settlement Agreement)

The GSE Settlement Agreements are available at www.lehman-docket.com and may be accessed by clicking on the “Docket” heading and entering each Docket No. in the “General Criteria.”

¹ Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Broker Agreement.
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“Docket Number(s)” box located on the left-hand side of the web page.

Settlement Demand

LBHI seeks payment in the amount of \$127,233.38, which represents the total amount to satisfy Broker’s indemnification obligation arising from LBHI’s resolution of bankruptcy claims brought by the Federal National Mortgage Association (“Fannie Mae”) and/or the Federal Home Loan Mortgage Corporation (“Freddie Mac,” and together with Fannie Mae, the “GSEs”), to whom LBHI sold loans originated and/or sold by Broker to LBHI (the “Disputed Amount”).

LBHI also seeks \$7,717.66 in prejudgment interest (“Prejudgment Interest”) on the Disputed Amount at the statutory rate of nine percent (9%) from the date of LBHI’s initial demand letter, dated July 24, 2014, to the date of this Notice. Interest will continue to accrue until LBHI receives actual payment.

In addition to the Disputed Amount and Prejudgment Interest, LBHI is entitled to its Attorneys’ Fees in connection with enforcing Broker’s obligation for indemnification. In an effort to resolve these matters in ADR as opposed to litigation, LBHI is not seeking its attorneys’ fees at this time. However, LBHI reserves the right to seek Attorneys’ Fees.

Explanation of Basis for Settlement Demand

1. Disputed Amount. Broker submitted the Loans for underwriting and funding to LBB pursuant to the Broker Agreement. LBB subsequently sold the Loans to LBHI and assigned to LBHI its contractual rights with respect to the Loans, including its right to indemnification. LBHI, in turn, sold the Loans to one or more of the GSEs, and retained the contractual right to seek indemnification from Broker in the event LBHI became liable for an indemnified event or circumstance. The Indemnification provision in the Broker’s Agreement, provides, in pertinent part, as follows:

Broker shall indemnify and hold Lender, its successors and assigns, and their respective officers, directors, employees, shareholders, members, agents, contractors, affiliates and subsidiaries (collectively, the “Lender Indemnitees”) harmless from and against, and shall reimburse Lender Indemnitees with respect to, any and all claims, demands, losses, damages, interest, penalties, fines, forfeitures, judgments and expenses (including, without limitation, reasonable fees and disbursements of counsel and any court costs) . . . resulting from, relating to or arising out of, whether the result of negligent or intentional conduct or otherwise (i) any breach of any representation or warranty made by Broker pursuant to this Agreement or Lender’s Guidelines; (ii) any breach or failure to perform any covenant or obligation of Broker in this Agreement or Lender’s Guidelines . . .

As a result of Broker’s breaches, LBHI incurred liability to Fannie Mae. It has settled that liability under the January 22, 2014 settlements with Fannie Mae. The United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”) approved that settlement, and with it, the allowed loan-level claims made by the GSEs in LBHI’s bankruptcy. Among

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those claims are claims concerning the loan number(s) identified in Attachment A in an amount equal to the Disputed Amount. The allowed claims are based on events or circumstances for which the Broker is liable as LBHI's indemnitor. *See* Attachment A and related documents.² LBHI's settlements with Fannie Mae have now triggered Broker's duty to indemnify LBHI.

2. Prejudgment Interest. In addition to the Disputed Amount, under governing law, LBHI is owed prejudgment interest at the statutory rate of 9% per annum. N.Y.C.P.L.R. 5001; 5004. Interest will continue to accrue on the outstanding balance until payment is made to LBHI.

Notice

LBHI hereby designates the dispute concerning the above-referenced loans as an Indemnification ADR Dispute pursuant to Paragraph 3 of the attached *Alternative Dispute Resolution Procedures Order for Indemnification Claims of the Debtors Against Mortgage Loan Sellers*, dated June 24, 2014 (the "Order"). *See* Attachment B.

In accordance with the Order, participation in the Indemnification ADR Procedures set forth therein is mandatory. Order ¶ 6.

The Order identifies two stages in the Indemnification ADR Procedures: 1) the Notice/Response Stage, and 2) the Mediation Stage. Order ¶¶ 8-10.

This Notice serves to trigger the Notice/Response Stage as described in Paragraphs 8 and 9 of the Order, which require that Broker respond to this Indemnification ADR Notice with a written Statement of Position within twenty (20) days from the date of service of this Indemnification ADR Notice. Order ¶ 8. The response options available to the Broker are described in Paragraph 8(b) of the Order. Failure to provide a timely response may lead to sanctions being imposed against the Broker. Order ¶ 8.

Once Broker submits its written Statement of Position to LBHI, LBHI will have the option of providing a reply within fifteen (15) days of the date of the receipt of Broker's response, or proceeding to the Mediation Stage. Order ¶ 8(d). The Mediation Stage is described in Paragraph 10 of the Order.³

<u>Date of Indemnification ADR Notice:</u>	March 27, 2015
<u>Date of Service:</u>	March 30, 2015
<u>Response Due Date:</u>	April 20, 2015

² LBHI does not forfeit or waive the right to disclose or identify additional claims and/or additional bases for its claims, and hereby expressly reserves all rights, claims, and defenses against Broker associated with the above-referenced loan(s).

³ Broker is also obligated to preserve evidence as set forth in Attachment C to this Notice.
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